

Message Text

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60

ACTION EUR-25

INFO OCT-01 ISO-00 PM-07 L-03 NSC-10 CIAE-00 DODE-00

INR-10 NSAE-00 PA-04 RSC-01 USIA-15 PRS-01 SPC-03

EB-11 COME-00 TRSE-00 SCEM-02 ARA-16 INT-08 DRC-01

/118 W

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P 282130Z NOV 73

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC PRIORITY 2186

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POUCHED ALL CONGENS IN CANADA

E.O. 11652: N/A

TAGS: ENRG, CA, US

SUBJECT: ALLEGED U.S. DIVERSION OF CANADIAN OIL IMPORTS

1. IN COMMONS ENERGY STATEMENT OF NOVEMBER 26, ENERGY MINISTER MACDONALD SAID THAT CANADIAN OIL IMPORT SHORTFALL MIGHT AMOUNT TO 200,000 BARRELS DAILY. THIS FIGURE QUESTIONED BY OPPOSITION PROGRESSIVE-CONSERVATIVE PARTY THROUGH SIMPLE ARITHMETIC: IF ARAB IMPORTS AMOUNTED TO 300,000 B/D AND ARAB PRODUCTION CUTBACK BY 25 PERCENT, SHORTFALL SHOULD ONLY BE 75,000 B/D.

2. ON BASIS OF NOVEMBER 27 COMMONS QUESTION PERIOD AND AS PROMINENTLY REPORTED BY NEWS MEDIA NOVEMBER 28, MACDONALD CALCULATION IS CLEARLY BASED ON ALLEGATION THAT INTERNATIONAL OIL COMPANIES ARE INVOKING "FORCE MAJEURE" SUPPLY CONTRACT CLAUSES WHICH PROVIDE THAT A SUPPLY DISRUPTION CAUSES CONTRACTS TO BE OPEN TO AMENDMENT. IN THIS SITUATION, MACDONALD ACKNOWLEDGED THAT CANADIAN COMPANIES ARE ADVERSELY AFFECTED AND THAT THERE IS LITTLE GOC CAN DO ABOUT EXTANT CONTRACT

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PROVISIONS. CLEAR PRESS IMPLICATION IS THAT CANADIAN

IMPORTS FROM VENEZUELA ARE CURRENTLY BEING AFFECTED AS
CREOLE IN VENEZUELA IS EXXON SUBSIDIARY AND EXXON
CONTROLS IMPERIAL OIL OF CANADA.

3. EMBOFF INFORMED BY IMPERIAL OIL SPOKESMAN WITHIN
PAST HOUR THAT IMPERIAL PRESIDENT JACK ARMSTRONG HAS
THIS AFTERNOON SENT TELEGRAM TO MINISTER MACDONALD,
AND RELEASED TO NEWS MEDIA, THAT IT (IMPERIAL) IS HIGHLY
DISTURBED BY COMMONS' "FORCE MAJEURE" IMPLICATION.
TELEGRAM CONTINUES THAT IMPERIAL HAS SUFFERED NO REPEAT
NO CUTBACKS IN IMPORTS FROM VENEZUELA NOR BEEN ADVISED THAT
"FORCE MAJEURE" HAS BEEN DISCUSSED. THEREFORE,
ACCORDING TO IMPERIAL, THERE IS NO REPEAT NO JUSTIFICATION
IN REPORTS THAT ANY CUTBACKS OR REALLOCATIONS ARE
AFFECTING CANADA IN ANY WAY. TELEGRAM, AS REPORTED TO
EMBOFF, STATES THAT IF REALLOCATIONS BECOME NECESSARY, THIS
MATTER WILL BE DISCUSSED BETWEEN GOVERNMENTS.
SCHMIDT

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Message Attributes

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Disposition Date: 28 MAY 2004
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30 JUN 2005

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